



CO-OPERATIVE MONOGRAPHS

ORGANISATION OF THE COOPERATIVE MOVEMENT IN ITALY

A report by Carlo Carli

ORGANISATION OF THE
CO-OPERATIVE MOVEMENT IN ITALY
A report by Carlo Carli

Published by the Department of Employment and Industrial Affairs
for the Worker Cooperative Working Party of the Ministerial
Advisory Committee on Cooperation

Co-operative Monograph No. 2

Organisation of the Co-operative Movement in Italy

A report by Carlo Carli

Published by the Department of Employment and Industrial Affairs for the Worker Co-operative Working Party of the Ministerial Advisory Committee on Co-operation
September 1985.

Copyright Department of Employment and Industrial Affairs,
Melbourne 1985.

ISSN 0816-0287
ISBN 0 7241 5913 4

For further information
Co-operative Development Program
Department of Employment and Industrial Affairs
80 Collins Street
Melbourne
Victoria Australia 3000
Telephone (03) 658 6444
Telex AA134957

Also in this series:

Co-operative Monograph No. 1
Worker Co-operatives in France.

CONTENTS

	Page
1. Introduction	5
2. The Ideological Traditions in Italian Cooperation	7
3. A Brief History	9
4. The Cooperative Federations	12
5. An Examination of La Lega	14
6. Industrial Democracy	21
APPENDIX:	24
Table 1. - Number of Registered Cooperatives as at 31.12.1979	
Table 2. - Cooperatives in Emilia Romagna in 1978	
Notes	26
Bibliography	27

ORGANISATION OF THE CO-OPERATIVE MOVEMENT IN ITALY

The Italian Cooperative Movement is an important social and economic reality in Italy with a long and important history. The Victorian Department of Employment and Industrial Affairs through its Cooperative Development Program has been interested in establishing firm links with the movement in Italy so that it can learn from what is one of the most viable and important cooperative movements in Europe. With this aim in mind, the Department supported two members of a Victorian cooperative to carry out a study on the current state of the Italian movement. The researchers were further assisted by the Regional Government of Emilia Romagna and La Lega Nazionale delle Cooperative e Mutue (La Lega).

INTRODUCTION

Today in Italy cooperatives are present in many areas of the economy. Most Italians would have shopped in a COOP supermarket, over 1 million Italian families live in housing cooperatives, many of the most important Italian enterprises are cooperatives, especially in agriculture, construction, food processing and in wholesaling/retail. Often in Italy one talks about cooperation as the third sector of the Italian economy in contrast to private and state-owned enterprises. An economic sector that is made up of enterprises that are different to both private and state owned enterprises, particularly in their emphasis on worker control.

The first Italian cooperative was established in 1854 in Turin. This consumer cooperative still exists and its establishment was inspired by the first consumer cooperative established in Rochdale, England in 1844. The principles established at Rochdale were an inspiration and a basis for the Italian cooperatives. Like the example of Rochdale, the first Italian cooperatives were established as associations of people and not of capital.

Cooperatives continued to grow slowly until the 1880s when they experienced a period of rapid growth. This growth in many areas of the economy brought about the establishment of the first national cooperative organization, the 'Federazione delle cooperative'. This organization later changed name and took on its present name, 'La lega nazionale di cooperative e mutue' [National League of Cooperative and Mutual Societies]. At the inaugural conference 201 cooperatives participated and one of the guests of the conference was G.J. Holyoake, the author of a history of the Rochdale experiment. The Italian translation of his "History of the Rochdale Pioneers" has had an important

influence on the Italian movement.

By 1900 there were 2,000 Italian cooperatives and by 1921, the eve of the fascists' rise to power, there were 21,541 (1).

Cooperation was not born neutral in Italy. Almost from the inception there existed and there continued to exist three spiritual families which gave birth to Italian cooperation. These three spiritual families were the catholics, socialists and liberals. From the beginning, the ideological colouring of cooperation was and remains important. Even though cooperation was not a neutral form of social organization in other countries, neither was it so neatly divided along ideological divisions as in Italy. The two most important ideological traditions in Italian cooperation was the catholic and socialist tradition. Both these traditions do not accept - though for very different reasons - the capitalist system. In contrast the liberal tradition accepts capitalism and merely seeks to improve the life and provide social justice for the poor and the common people.

THE IDEOLOGICAL TRADITIONS IN ITALIAN COOPERATION

How does one explain the fact that cooperation in Italy was tied so closely to various ideological traditions and consequently various political parties? This can partly be explained by the fact that capitalism in Italy emerged in a country where two important moral and ethical traditions existed, the marxist and catholic traditions, both of which presented different models in opposition to capitalist society. Their opposition to capitalism, and the conflict between these two traditions in Italy, has heightened the importance of ideology so that it permeates the civil society of Italy far more than when compared to a country like Australia.

1. The liberals

The liberals were important in establishing the first consumer cooperatives and cooperative savings banks. They essentially believed that cooperatives were a basis to mitigate the worst consequences of capitalist development and exploitation. The first Italian cooperatives were established by liberals and it was with the first liberal Government that the first laws were passed which favoured the expansion and development of cooperation.

Included under the term liberal is a tradition which continues to be very important in Italian cooperation; this is the ideological tradition of the Republicans. They follow the ideals of the Italian nationalist hero and radical Mazzini. Like the liberals, the followers of Mazzini refute the concept of class struggle but cooperation for them is not just a means to improve the life of people exposed to the excesses of capitalism, they saw cooperation as a model that could construct a more just society from the grassroots.

2. The catholics

The first Catholic cooperatives were based in the rural communities. The emphasis of Catholic cooperation was on the solidarity and community present in the village. In opposition to capitalism they had a social model based around the parish as the centre of a rural community.

3. The socialists

It is more difficult to summarize socialist thought on cooperation. The various strands of socialists thought and their importance on the movement makes it difficult to identify the individual components. The first socialist cooperatives were supported by the moderates and opposed by the revolutionaries. Originally the socialist model was

based around the English model in the centre of which is the consumer cooperative. However in the various historical phases, different socialist components have had a certain weight and influence. The socialist tradition did have one common aim however and that was to modify the economic system and to give more power to the exploited and lower classes.

A BRIEF HISTORY

Following the English example the first Italian cooperatives were consumer cooperatives, in which people could purchase necessary goods without going through a private shopowner.

Following this in 1856 the first worker cooperative was born amongst artisan glassworkers in Savona. Later, in certain areas of the Po valley in Northern Italy, worker cooperatives were established amongst farm workers to defend and guarantee the possibility of work and to secure themselves an income. This was a new form of cooperative.

The first worker cooperatives were established amongst artisans from the cities who already had an income. Into these new cooperatives came workers who were often unemployed with little prospect of further work, and through the cooperative they sought to establish an organization that would give them a job and defend their right to work.

The first Catholic cooperatives followed soon after. They initially established rural savings banks (le casse rurali), around which the first Catholic-inspired agricultural cooperatives were established. These first Catholic cooperatives were particularly strong amongst peasants in the Veneto and Trento where the parish and the priest were the centre of the local village communities. The Catholic cooperatives were established to defend the values of the peasant culture: the family, religion and the values tied to the defence of the small peasant holdings.

In contrast the cooperatives established amongst the farm workers of the Po Valley were born as an element of class struggle. In Ravenna, in the Emilia Romagna region, for example the farm workers established a model in which they acquired communal landholdings and farmed it together, a model which remains in the Italian socialist tradition a symbol of worker control. The Catholic cooperatives did not attempt to establish communal landholdings, rather they constructed service facilities such as dairies, wineries or rural savings banks.

In only a few years, Italy developed a strong cooperative movement. To develop a national strategy and to influence national politics, it became necessary to establish some form of national organization. In 1886 in Milan the first meeting was held of a national cooperative federation, in which participated a number of political currents: socialists, radicals, liberals, Catholics. From the beginning there were conflicts especially between the liberal wing, that wanted an apolitical movement, and the socialist wing that wanted solid links between the cooperatives and the unions and the working class parties.

With the unity that was the outcome of the federation, the cooperatives experienced strong growth, particularly under the

liberal Government of Giolitti, who sought to open up his Government to the socialists and the Catholics by supporting laws to assist the expansion of cooperation.

The Catholic-inspired cooperatives also began to organize themselves autonomously and in 1919 they left La Lega to form the 'Confederazione delle cooperative italiane' [Confederation of Italian Cooperatives].

Cooperation and Fascism

In 1920 a new cooperative federation was formed which sought to unite all the cooperatives that were antisocialist: this organization was the 'Sindacato nazionale delle cooperative' [National Union of Cooperatives]. This organization became the main base for cooperatives linked to the fascists. Fascism identified the cooperative movement as it existed as one of its political enemies. Fascist squads began to destroy first the socialist-inspired cooperatives and later those of Catholic inspiration. For example in 1921, 150 cooperatives were destroyed. The areas most hit were the zones that were politically red: Mantua, Tuscany and various parts of Emilia Romagna, and later certain areas in Sicily and Puglia.

After much destruction and attempts to gain control of cooperatives, the fascists set about creating a fascist model of cooperation. In 1925, both La Lega and La Confederazione were dissolved by Government decree because they were accused of subversive and antifascist activity and, in 1926, 'L'Ente nazionale per la cooperazione' [National Organization for Cooperation] was established as a centralized and fascist cooperative federation. During the years of fascism many cooperatives closed or were forced to close while others became fascist, or at least the management was made up of fascists who were nominated by the regime. A number of cooperatives survived the years of fascism and became centres of struggle during the resistance especially in Bologna and Reggio Emilia.

During the resistance between 1943 and 1945, the partisans and political leaders developed plans to reorganize the state and the economic structures of the country. In these plans, the various anti-fascist forces saw the importance of cooperation in the reconstruction of the country. In 1945, La Lega and the Confederazione were reconstituted while new cooperatives were being established, particularly in Northern Italy, around the partisan movement.

The various anti-fascist forces saw in cooperation an important component of the reconstruction and development of post-war Italy. In the new Italian constitution, in recognition of the importance of cooperation, Article 45 was inserted which recognized cooperation and the desire to assist its development.

However, during the reconstruction, cooperation was to have enormous problems. The national Governments sought to develop Italy according to the American model and cooperation was emarginated by the various post-war conservative Governments. Furthermore, support for these Governments also came from sectors of the population - large farmers, construction firms, retailers, etc - who saw themselves threatened by the development of a strong and vast cooperative sector.

Cooperation was also caught up in the cold war. In 1952 the social-democratic, liberal and republican component of La Lega left, accusing la Lega of being a tool of the Communist Party. They then formed the 'Associazione generale delle cooperative italiane' [General Association of Italian Cooperatives]. Cooperation between the three cooperative federations was virtually non-existent until the 1970s. In 1954 the conservative Government of Scelba began a deliberate campaign against the cooperatives affiliated to La Lega. Cooperatives were arbitrarily dissolved, administrators were appointed and cooperatives were denied the right to contract work from public institutions. The cooperatives of La Lega were on the defensive. New cooperatives were also established as a form of survival for many of the militant socialist and communist workers sacked in the 1950s during the worst years of the cold war.

The 1960s saw a new phase open up for the cooperatives, these were the years of the economic boom and the formation of the first centre-left Government, a coalition of Christian democrats, centrist parties and the Socialist Party. In 1962 La Lega decided to broaden its base which had been essentially working class and began to create a movement that was prepared to open up to new areas of the economy, for example the formation of service cooperatives for small shopkeepers and the creation of economic structures to assist the spread of cooperation throughout Italy.

Throughout the post-war period cooperation has continued to grow and by the 1970s the different strands of the movement began to cooperate more. Cooperatives were also able to demonstrate in a number of areas, particularly consumer and worker cooperatives, not only that they were competitive nationally, but also internationally. By the 1970s La Lega was able to present itself not just as a movement which sought to defend the rights of workers to have a job or the rights of consumers not to be overexploited but also as a movement which could assist Italy to confront its most pressing problems: youth and female unemployment and the development of the South.

By the 1970s cooperatives were an integral part of the Italian economy and had spread into many areas of the economy. In Emilia Romagna in particular, cooperative enterprises were strong in agriculture, building, commerce, service industries, fishing and in manufacturing industry. It has become a vital and important part of the regional economy.

THE COOPERATIVE FEDERATIONS

The Italian Ministry of Labour recognizes three cooperative federations. The three federations recognize the three spiritual families which gave birth to Italian cooperation and each federation is legitimated by different ideals and ideologies.

The Confederazione delle cooperative italiane (CCL) [Confederation of Italian Cooperatives] is inspired by Catholic ideals and is linked to the Christian Democrat Party. The Confederation is very strong amongst agricultural cooperatives, all the rural credit coops (casse rurali) adhere to this federation and it also has a large number of production and work cooperatives, although these cooperatives tend to be small because the Catholic ideal tends to emphasize the importance of direct participation and solidarity in small workplaces. Whereas La Lega has tended to propose mergers between smaller cooperatives to give them greater economic weight, the Confederation tends to believe this integration should exist only at the level of the consortium, (i.e. a cooperative established by a number of individual cooperatives).

Lega nazionale delle cooperative e mutue (La Lega) is of socialist inspiration with a Communist majority, Socialist minority and a small Republican component. La Lega is particularly strong in the area of consumer cooperatives. Although relatively few in actual number, many are very large with thousands of members and numerous outlets. The large production and work cooperatives particularly important in the construction industry are nearly all members of La lega.

Associazione Generale delle Cooperative (AGCI) is by far the smallest Federation. It defines itself as secular and is linked principally to the Republican, Liberal and Social-democratic Parties. It is strong in the area of housing cooperatives.

Cooperation in Italy today is recognized as an important component of the economy: more than 35,000 cooperatives are members of at least one of the federations. In 1982 in these cooperatives there were about six million members and a turnover of over 20 billion lire [c.\$415,000 million] (2). These Cooperatives have spread all through Italy: however in some regions they are of marginal economic importance while in others like Emilia Romagna and Trentino Alto Adige they are widespread and are a basic component of the regional economy. As of the 31st of December 1979, 78 974 cooperatives were registered with the Ministry of Labour.

Table 1 at the end of the article indicates the number of registered cooperatives according to economic sector.

Given this data, it is difficult to determine how many of these cooperatives can be broadly defined as worker cooperatives, by which I mean cooperatives established with the aim of providing

work for its members.

Of the other registered cooperatives there were 9,055 production and work cooperatives, 683 fishing and 877 transport cooperatives. The majority of these cooperatives provide work for their members. While many agricultural cooperatives provide goods and services for their members, there are also a large number of cooperative farms which provide work for their worker members. It is therefore difficult to determine, given the data provided by the Ministry of Labor, the exact number of cooperatives which can be described as worker cooperatives.

La Lega divides its cooperative members into ten sector associations. Of these four clearly have a majority of worker cooperatives; these associations are those of culture, fishing, production and work and service industries while the association of agricultural cooperatives would have a large number of worker cooperatives affiliated.

The level of affiliation to a cooperative federation is much higher for the categories which, we can assume, have a large number of worker cooperatives than for categories like housing cooperatives. Of 9,055 production and work cooperatives 5,204 are affiliated to one of the federations; of 13,313 agricultural coops 8,422 are affiliated, of 636 fishing coops 559 are affiliated; of 877 transport coops 479 are affiliated (4).

Membership of a cooperative federation represents a level of genuine commitment to the principles and social objectives of cooperation. There are cooperatives that exist solely to benefit from tax concessions while others like many housing cooperatives have very specific objectives such as the acquisition of cheap and adequate housing.

In attempting to establish an estimate of the number of worker cooperatives we can follow a formula suggested by R. Ronza (5). Of all the cooperatives registered with the Ministry of Labour, all those registered as production & work cooperatives, one half of those registered as agricultural cooperatives, and two-thirds of those registered under transport and fishing can be considered worker cooperatives. We therefore arrive at a figure of almost 17,000 worker cooperatives as of 1979.

AN EXAMINATION OF LA LEGA

We have decided to concentrate on the function and activity of La Lega for a number of reasons. It was the first federation we were introduced to: it has a greater economic importance in Emilia Romagna the area we were studying; and perhaps most importantly far more of the literature is based on the experience and the history of La Lega, including the only study which seriously examines the structure of a federation which was done by Stefano Zan. Overall La Lega has fewer cooperatives affiliated to it (1981=14,604) (6) than the Confederation (1981=21,593) (7). This is true even in the stronghold of Red cooperation in Emilia Romagna where the Confederation has more affiliated cooperatives than La Lega. However by simply looking at the number of cooperatives, one does not realize the relative dimensions of the cooperatives affiliated to one or another federation or the dimensions of the cooperatives affiliated to one of the three federations in Emilia Romagna.

Table 2 at the end of the article gives the relative weight of cooperatives in Emilia Romagna (8).

From these figures we see that while a larger number of cooperatives are affiliated to the Confederazione (CCI) (2,127) compared to La Lega (1,775), the cooperatives affiliated to La Lega are on the whole larger. La Lega has three times as many members and employs five times as many people. Unfortunately comparable data for all of Italy is not readily available.

Economic Structure of La Lega

The small, medium and large cooperatives affiliated to La Lega are organized and integrated in a quite elaborate economic structure. The most common form of economic integration and cooperation between cooperatives is through the cooperative consortium, which is in fact a cooperative formed by cooperatives. Some consortia take and develop economic initiatives by themselves, but generally they provide a service on behalf of the affiliated cooperatives. For example, there are 9 consortia for purchasing and distributing goods to member cooperatives; consortia for the processing and marketing of goods produced by agricultural cooperatives etc. The size of the consortia vary, many are organized in provincial or regional areas while others are organized on the national level as is, for example, the large chain of COOP supermarkets.

Furthermore consortia are involved in the marketing of goods produced by various cooperatives. The administrative committees of the consortia consist of representatives of the various cooperatives which make up the consortium. The very large dairy consortium in Emilia Romagna, Granarolo Felsinea not only is it

one of the biggest producers of dairy products in Italy, it has affiliated cooperatives belonging to La Lega as well as cooperatives affiliated to the other two cooperative federations.

The role of the consortium is

- a.] to unite economically the various cooperatives to allow for a greater strength in the market and to allow for greater overall planning
- b.] to help promote the activities of cooperatives and of cooperation
- c.] to allow for a greater political and economic role for La Lega particularly to carry forward strategies decided at Conferences.

Political Structure of La Lega

La Lega is organized according to the following model; at the national level there is the national association of La Lega, affiliated to this are the regional committees of La Lega and affiliated to the regional body are the provincial associations (Federcoop). La Lega is also structured into ten sector associations at the national level.(9)

All these associations and bodies of La Lega are elected. The elections take place during the respective conference of the association. Generally the associations elect a consultative council, a managing committee, an executive committee and a president.

The financing of this political structure comes mainly from contributions from individual cooperatives, a sum which varies with the size and the financial capabilities of the enterprise. Some money also comes from the Italian and Regional Governments who contribute money to the respective cooperative federations to encourage cooperative education and the formation of new cooperatives.

At the national level apart from the consortia there are other economic structures, which are not linked to any particular sector of the economy, but cover the entire cooperative movement. These structures have generally been established as companies in which shares are held by individual cooperatives. They include Unipol, which is an insurance company. Apart from servicing cooperatives and cooperative members, Unipol also acts as a general insurance company in competition with other insurance companies.

In contrast Fincooper works exclusively for affiliated cooperatives. Fincooper is the organization which assists cooperatives in raising capital for their enterprises. Publicoop and Editrice Cooperative are responsible for the preparation of publicity material and publications for individual cooperatives

and for the movement. Finally there is Intercoop, Commimpex, Rarum, Italimpex, Restital, Sorimpex and Coop import/export, all of which assist and coordinate commerce between cooperatives, overseas commerce and commerce with overseas cooperatives.

La Lega's Function

The most obvious function of La Lega is to be an association which represents its member cooperatives and acts as a spokesperson for the movement in interaction with other organizations and institutions. La Lega seeks to ensure a greater economic and political role for the movement. This role of representing the interests of the movement as a whole is done at the level of provincial regional and sector associations as well as collaborating with the other federations in representing the entire movement. This role of lobbying of La Lega is similar to our own national and state organizations whether they represent business, trade union or some other interest group.

Another function is to provide administrative services to the affiliated cooperatives. This has always been an important function of La Lega. Many of the first cooperatives were often formed by workers, consumers etc, many of whom were badly educated, so while they had clear social and economic objectives, they seldom had the capability to handle all the difficulties associated with the administration, financing, legal technicalities, tax laws etc that deal with running a business and more specifically the particular laws which deal with cooperatives. A correct and efficient administrative structure is particularly vital for cooperatives if they are to take advantage of tax concessions and the specific opportunities to contract for public works.

La Lega maintains a large number of expert staff, particularly at the provincial and regional level to assist cooperatives to administer and plan the activities of their enterprise.

One particularly important area of assistance is that provided by Fincooper which assists cooperatives to raise the necessary working capital. La Lega has an ambition to establish its own national cooperative bank, however it still has not been able to get Government approval. The problem of adequately funding cooperatives has been a feature of Italian cooperation since its inception. This is particularly true for La Lega which during the 1950s and early 1960s was discriminated against by banks because it was the Red cooperative federation. Also it did not have the tradition of rural credit coops (casse rurali) as did the Confederazione which used them as a base to raise capital for their cooperatives. Many cooperatives of La Lega tried through this period to self-finance the enterprise through loans from members, work without pay, pay cuts; but even these drastic measures did not solve the problem of the adequate

capitalization of the cooperative enterprise. Borrowing money from members remains an important means by which many cooperatives raise capital to invest in the cooperative.

Even if this discrimination by the banks is now a thing of the past, the problem of adequate finance remains with for example the high interest rates, and the problem of providing guarantees for banks etc. Through Fincooper, La Lega maintains a structure which coordinates loans from various financial institutions, as well as reaching agreements and giving guarantees which would not be possible if each cooperative sought its own funding independently.

It is worth emphasizing that credit is the main problem faced by the cooperative movement, not just during the inception of a cooperative, but throughout its development. It is not possible for the movement on its own to generate enough capital for its needs, therefore a strong cooperative movement demands access to sufficient capital.

In the immediate post-war period the Italian Government legislated that all new banks could open only with the approval of the Banca d'Italia (Italian reserve bank). During this period it was politically impossible for La Lega with its links to the Communist and Socialist Parties to get such approval. The post-war conservative Governments consciously stopped any cooperative bank tied to La Lega from being established. The Governments did however concede tax concessions and they also opened a special cooperative section tied to the Banca Nazionale di Lavoro (like our Commonwealth Bank). Without adequate access to capital, the tax concessions did not compensate for the underfinancing of the movement while the cooperative section of the Banca Nazionale di Lavoro was underfinanced and its office was in Rome far away from the heartland of the cooperative movement and too close to the National Parliament to be independent of the will and political patronage sought by the politicians.

A further function of La Lega is the training and development of specialist staff for the cooperative movement. This does not just mean running courses for cooperators but also training personnel within La Lega's structure to ensure their commitment and loyalty to the movement while developing their skill in managing and understanding the complexities of the cooperative enterprises. This role of La Lega is particularly important for many of the small- and medium-sized cooperatives which do not have the facilities to train specialist staff and so need to recruit from within the movement. Apart from providing necessary skills for the cooperative these specialists also provide a direct link between the cooperative and La Lega.

La Lega also seeks to maintain and defend the values of cooperation. A constant preoccupation of the movement is to control those who would seek to establish cooperatives for private speculation or those that maintain attitudes contrary to

the spirit of cooperation.

All three cooperative federations regularly check up on their associated members to ensure they maintain the principles of cooperation. The Ministry of Labour provides similar checks for those cooperatives not affiliated to one of the federations. La Lega, apart from checking that member cooperatives abide by the principles inscribed in the statutes, also seeks to check that its member cooperatives continue to subscribe to the principles which first linked them to La Lega.

La Lega also seeks to coordinate the activities of various cooperatives. This includes assisting cooperatives to integrate their activity as well as seeking to establish commercial agreements between cooperatives. La Lega will, if necessary, intervene in conflicts within and between cooperatives.

The final function of La Lega is to promote cooperation. This includes assisting new cooperatives, publicizing the role of cooperation, studying and documenting the history of the movement.

La Lega has not simply waited for new cooperatives to appear, it has sought to promote, develop and integrate cooperatives in regions and sectors of the economy in which they have been generally weak. This has meant that La Lega and the established cooperatives have set aside resources and have established strategies to develop cooperatives throughout Italy. For example at its 1985 National Conference the National Association of Agricultural Cooperatives (ANCA) announced an ambitious plan to develop cooperatives and food processing factories in Southern Italy, an area in which cooperatives have been weak compared to the north. A new challenge for La Lega is to take advantage of two recent laws. The "De Michelis-Altissimo" law which plans to finance private and state-owned firms that are in crisis to be restructured into cooperatives and the "De Vito" law which plans to fund new enterprises amongst young people in Southern Italy.

Cooperatives and La Lega

After examining the structure of La Lega it is worth examining what links an individual cooperative to La Lega. A cooperative that is a member of La Lega is almost certainly a member of:

- a local or national consortium,
- Federcoop, of the Regional Committee and of La Lega nationally,
- the regional sector association, and
- the national sector association.

There is also a good possibility that the president of the cooperative has at least one of the following responsibilities:

- membership of the managing committee of a consortium,
- membership of the managing committee of Federcoop,
- membership of a regional or national committee of one of La Lega's sector organizations,
- membership of the consultative council of a regional association of La Lega.

Generally it is the president of a cooperative who is delegated the responsibility of participating in the political structure of La Lega, the exception is during specific conferences and congresses in which the cooperative selects delegates to participate.

Cooperatives also finance the operation of La Lega and each cooperative contributes according to their size and turnover. The services provided by La Lega are particularly vital to the small- and medium-sized cooperatives, which are the majority, which have neither the size nor the capabilities to adequately handle the whole of the operation of their enterprise. These services are important to the efficiency and well-being of these enterprises.

However the most important feature which unites La Lega with the individual cooperatives is the ideological legitimacy exercised by La Lega. This legitimacy can be best understood when we realize that cooperative members, workers, officials of cooperatives and of La Lega have a similar ideological heritage which is rooted in the tradition of the Italian left. The socialist tradition of La Lega manifests itself in the political currents of La Lega, particularly those linked to the Communist and Socialist Parties but also the small republican and independent socialist components. Typical of socialist culture is the desire to express ideals and ideologies across organized structures. In Italy the traditional associations of the working class and of the left such as the trade unions and the political parties have a common origin with La Lega. For Italian socialists the cooperatives were seen as a structure to benefit and involve the working class along with the Party and the Union. This important link between La Lega and the political parties explains in part why the structure and working of La Lega is similar to a mass political party. Cooperative members, cooperatives, consortia, etc. recognize the political necessity to organize and they generally accept the strategy and policy worked out through a democratic and representative structure like La Lega.

How this authority is exercised can be illustrated from an actual example. A number of female employees of a construction firm in Northern Italy asked to become members of the cooperative. At a meeting of the cooperative members the males refused, for, as far as they were concerned, the construction industry is a male industry. La Lega intervened requesting that the cooperative to review the judgement, reminding the coop of the principle of open membership, of the strategy of La Lega to increase female participation and employment, and that their

actions were against the ideals and values of the entire movement. The members met again and again refused these women membership.

In this example the cooperative members democratically decided to violate a norm of the movement. The origin of these construction cooperatives was with male, blue-collar workers and many had a strong "workerist" outlook. (For example the largest worker cooperative in Italy, La Cooperativa Muratori e Cementisti (CMC) of Ravenna refused membership to white collar workers until 1971.) La Lega could have accepted this decision which would then have compromised it and would have demonstrated that it was in fact powerless; or it could have expelled the cooperative, which would have been a radical move that again would have demonstrated that it lacked the power to adequately sanction the cooperative. La Lega however followed a third strategy which took longer to implement but was more likely to bring results. This involved using the authority legitimated by the movement's history and political culture. It involved putting pressure on the cooperative, particularly in its interaction with other cooperatives, the trade unions and the left-wing parties. This is where the authority of La Lega lies in its legitimacy as a representative association of the movement. It does not however have any power to sanction or intervene directly against the action of an individual cooperative.

INDUSTRIAL DEMOCRACY

The characteristic of a worker cooperative which distinguishes it most clearly from a private or state owned enterprise is the emphasis on industrial democracy and worker control. From conversations I had with cooperative worker members and non-member workers I noted a deep appreciation of the history and aim of the cooperative movement. It was obvious that cooperation in Emilia Romagna had deep historical and cultural roots born out in the struggle of workers for their rights and freedoms. The workers did not just simply consider themselves as workers but also as people belonging to an economic organization with social aims that they supported. When I played the devil's advocate and suggested that working for a cooperative was like working for a private firm I was consistently corrected and told that the two were fundamentally different.

The features of worker cooperatives is that the working relationships are more cordial than in other enterprises; in general productivity is higher, absenteeism much lower, industrial accidents (10) are fewer than in comparable private and state-owned firms. Sackings are almost non-existent and I was told of one cooperative firm in Bologna which recently closed: workers from this cooperative were reabsorbed into other cooperatives.

It is easy to recognize industrial democracy in small cooperatives, in which worker control is immediate. General meetings decide the general policy of the cooperative and elect a managing committee. The distance between management is very small, participation is high and worker solidarity is generally very strong. However industrial democracy becomes more complicated when one recognizes that numerous cooperatives affiliated to La Lega have tens of thousands of members, the equivalent of many million dollars in turnover and a sophisticated administrative structure.

In such an enterprise it becomes increasingly difficult for a member to understand all the complexities of the cooperative, some of which are not only organized on a national basis but are also working on projects in other countries. How to maintain a form of worker control in such a complex firm has created a lively debate within the movement. The model generally followed is to decentralize the operation and decision making of the enterprise and establish structures to encourage worker participation. Essentially this based around the formation of branches for members and meetings of workers in the various workplaces. These structures not only make certain decisions but they also elect delegates to decision making structures further up the structure. The general meeting remains the principle decision making body (11).

As well, the three Italian Union Confederations (CGIL, CISL and UIL) are represented in cooperatives and union structures and

positions such as shop-floor committees are maintained. Union conditions and awards are accepted and recognized within cooperatives.

However there have also been problems in establishing models of worker participation. For example the cooperative giant Edilter from Emilia Romagna had a number of strikes in the 1970s in Naples, these strikes highlight some of these difficulties.

In Naples Edilter along with the unions established the first canteen amongst construction workers in Naples. The food was not to the liking of the workers and this triggered a series of strikes outside the control of the cooperative and the unions. The analysis of these strikes by Edilter was that the strikes would have been easily avoidable simply by discussions and without the need for strikes. They concluded that the political culture of these workers was very different to the workers of Emilia Romagna. Cooperation was not deeply rooted in the political culture of these workers in Naples, who were often peasants from Southern Italy who had been forced to emigrate through poverty and the attraction of work in the city. As had been demonstrated in the workers struggles in the industrial cities of the North, the "mass workers", often Southern, who had been forced to emigrate, have often presented their demands in terms of revolt. The struggles of Northern factories like FIAT, Alfa Romeo, Pirelli, etc., showed such signs of violent confrontation and revolt.

In contrast the working class of Bologna and Emilia Romagna developed a consciousness along with the rise of the mass organizations of the working class, the political parties, the trade unions and the cooperatives. Class struggle for the workers of Emilia Romagna presented itself not simply as a revolt but also through the construction of these mass organizations. Workers in Emilia Romagna were not forced off the land by industrialization, as happened with the workers of Southern Italy. In Emilia Romagna industries developed around the agriculture, moreover agriculture in Emilia Romagna was organized in a capitalist fashion in the late 19th Century along with the construction of sophisticated food processing factories like sugar refineries. It was the struggle of these farmworkers which created the first workers' leagues from which the cooperatives, the trade unions and the socialist party first emerged. This difference in political culture can help in understanding some of the difficulties faced by the spread of cooperatives from areas where the verb 'to cooperate' has a deep political and cultural meaning into areas where the concept is still alien.

* * * * *

There have also been criticisms levelled at cooperatives. For many small cooperatives, workers' control also means a form of self-exploitation. The worker member in these cooperatives is

conscious of not having a boss, apart from himself and the other members, and often he accepts conditions and wages below those he would expect to earn in a non-cooperative enterprise. In many of the large cooperatives the growth of a bureaucracy has distanced the members from the decision-making of the cooperative. The relationship of the member to the management begins to resemble a private or state run enterprise in the sense that the union structures are the only ones that function to check the activities of the management.

While this criticism has been levelled at a number of the larger cooperatives, for quite justifiable reasons, other large cooperatives have tried to remain true to the values and ideals of cooperation without compromising efficiency, expansion and the general activities of the enterprise.

*

TABLES

Table 1

Number of Registered Cooperatives as at 31.12 1979

Consumer	4 690
Production/work	9 055
Agricultural	13 313
Housing	44 971
Transport	877
Fishing	683
Mixed	5 432
Total	78 974

Table 2

Cooperatives in Emilia Romagna in 1978

	Lega	CCI	AGCI	Total
No. of Cooperatives				
Agriculture	700	1 224	162	2 086
Production/work	177	159	39	375
Housing	183	405	164	752
Consumer	45	80	88	213
Culture	265	108	78	451
Credit	3	46	2	51

Other	402	105	14	521
Total	1 775	2 127	547	4 449

No. of Members

Agriculture	136 000	99 970	17 093	253 063
Production/work	33 000	4 488	851	38 339
Housing	74 750	22 958	7 117	104 825
Consumer	215 000	35 875	7 542	258 417
Culture	51 000	4 239	6 402	61 641
Credit	4 000	15 915	1 524	21 439
Other	66 398	11 634	458	78 490
Total	580 148	195 079	40 937	816 164

No. of Employees

Agriculture	28 327	9 392	5 079	42 798
Production/work	32 945	4 033	1 370	38 348
Housing	-	-	9	9
Consumer	3 000	310	169	3 479
Culture	255	18	11	284
Credit	90	591	154	835
Other	19 771	1 948	489	22 208
Total	84 388	16 293	7 281	107 962

NOTES

- 1 Robi Ronza, "Il movimento cooperativo in Italia", p 391, in Henri Desroche, Il progetto cooperativo, Milano, 1980.
- 2 Onelio Prandini, La cooperazione, Editori Riuniti, Roma, 1982, p 75
- 3 S. Zan, La cooperazione in Italia, Bari, p 256
- 4 ibid, p 266
- 5 R. Ronza, op cit, p 413
- 6 La lega nazionale delle cooperative, Editrice Cooperativa, Roma, 1983
- 7 ibid, p 23
- 8 S. Zan, op cit, p 271
- 9 The associations of La Lega are:
 - 1 the National Association of Production and Work Cooperatives (ANCPL)
 - 2 the National Association of Consumer Cooperatives (ANCC)
 - 3 the National Association of Agricultural Cooperatives (ANCA)
 - 4 the National Association of Fishing Cooperatives (ANCPA)
 - 5 the National Association of Housing Cooperatives (ANCAB)
 - 6 the National Association of Retailer Cooperatives (ANCD)
 - 7 the National Association of Cultural Cooperatives (ANCC)
 - 8 the National Association of Service Cooperatives (ANCS)
 - 9 the National Association of Tourist Cooperatives (ANCT)
 - 10 the National Association of Friendly Societies (FIM)
- 10 V. interview V. Dragone, in Il sole 24 ore, special supplement, Oct 1983 & R. Ronza, op cit, p 414
- 11 For an example of such a model v. Beletti & Bolognesi, "La CMC di Ravenna", in Autogestione nell'industria.
- 12 P. Alberghi, "L'Edilter", in Autogestione nell'industria, p 303

BIBLIOGRAPHY

Alberighi et al. L'Autogestione nell'Industria (De Donato, Bari 1979)
G. Bonfante et al. Il Movimento Cooperativo in Italia (Einaudi, Torino 1981)
M. D'Ambrosio & R. Stefanelli La Cooperazione nell'Industria (Ed. Cooperativa, Roma)
La Lega Le Strutture della Cooperazione Italiana (Ed. Cooperativa, Roma 1979)
La Lega La Nega Nazionale delle Cooperative (Ed. Cooperativa, Roma 1983)
O. Prandini La Cooperazione (Riuniti, Roma 1982)
R. Ronza "Il Movimento cooperativo in Italia" in H. Desroche Il Progetto Cooperativo (Milano, 1980)
S. Zan La Cooperazione in Italia (De Donato, Bari 1979)

PERIODICALS

La Cooperazione (Ed. Cooperativa)
Venetocoop
Il Sole 24-Ore Cooperative supplement October 1983
i 1979)

PERIODICALS

La Cooperazione (Ed. Cooperativa)
Venetocoop
Il Sole 24-Ore Cooperative supplement October 198